

Medicare vs. Medicaid

What Every Family Needs to Know
About Home Care Coverage

Helping North Metro Atlanta families understand their options — from Medicare basics and Medicaid eligibility to private-pay home care and how to plan ahead.



Castleton Home Care

Non-Medical Home Care | North Metro Atlanta

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01 Introduction

When a parent or loved one suddenly needs rehab, home care, or ongoing support, many families assume Medicaid will cover everything – only to discover their loved one has Medicare instead, and these two programs work very differently.

This guide is written for people who suddenly find themselves in charge of figuring out care and coverage for someone they love. By the end, you'll have a clear, plain-language understanding of both programs, who qualifies, what each pays for, and the most common mistakes families make – so you can plan with more confidence.



This guide is especially for:

- Adult children helping aging parents after a fall, diagnosis, or gradual decline.
- Spouses caring for a partner with a serious illness or disability.
- Family caregivers comparing options like home care, assisted living, rehab, or nursing home care and trying to understand what will actually be covered.

02 Big Picture: Medicare vs. Medicaid at a Glance

At the highest level, Medicare is federal health insurance mainly for people who are older or have certain disabilities, while Medicaid is a federal-state partnership that helps people of any age with low income and limited assets. This single distinction makes everything else much easier to follow.

Topic	Medicare	Medicaid
Who runs it	Federal government; consistent rules nationwide	Federal-state partnership; rules vary by state
Main purpose	Health insurance for older adults and some people with disabilities	Health coverage for people with low income at any age
Based on	Age (65+), disability, or certain medical conditions	Income, assets, and qualifying categories
Long-term care	Only limited, short-term skilled care in specific situations	Often covers long-term care and personal care services
Cost to enrollee	Premiums, deductibles, copays – no built-in out-of-pocket cap in Original Medicare	Low or no premiums; small copays; designed to be affordable

03 Medicare Basics: What Families Need to Know

What Medicare Is

Medicare is a federal health insurance program for people who are 65 or older, as well as some younger adults with certain disabilities or serious conditions like end-stage renal disease (ESRD). Because it's run by the federal government, the core rules and main benefits are the same regardless of which state your loved one lives in.

The Four Parts of Medicare

Medicare is broken into four 'parts,' each covering different types of care:

- Part A – Hospital insurance: inpatient care, limited skilled nursing, some home health, and hospice.
- Part B – Medical insurance: doctor visits, outpatient care, tests, and preventive services.
- Part C – Medicare Advantage: an all-in-one alternative offered by private insurers.
- Part D – Prescription drug coverage (varies by plan).



Part	Name	What It Covers	Automatic?	Optional?
A	Hospital Insurance	Inpatient hospital stays, limited skilled nursing, some home health, hospice	Often automatic at 65 if on Social Security	Generally no
B	Medical Insurance	Doctor visits, outpatient care, lab tests, imaging, preventive services, some home health	Can be automatic if already on SS; otherwise you enroll	Yes – but delaying can cause late penalties
C	Medicare Advantage	All Part A & B services, often Part D, sometimes extras like vision, hearing, dental	Not automatic – you choose and enroll	Completely optional
D	Prescription Drugs	Outpatient prescription medications (varies by plan formulary)	Not automatic – you choose and enroll	Optional, but delaying may mean late penalties

What Medicare Typically Covers (and Doesn't)

COVERED - Usually Covers	NOT COVERED - Usually Does NOT Cover
Hospital stays for illness, injury, or surgery	Long-term custodial care (bathing, dressing, daily tasks)

Doctor visits, specialist visits, lab tests, imaging	Most assisted living costs including room and board
Preventive care: wellness visits, vaccines, screenings	Ongoing in-home personal care aides (when medical need is not the driver)
Short-term rehab/home health after qualifying hospital stay	24-hour care, routine housekeeping, or meal prep

IMPORTANT: Many families are caught off guard when they assume Medicare will pay for an ongoing home aide or assisted living — but Medicare’s help is limited to short-term, medically focused services, not long-term day-to-day support at home.

Costs Families Should Expect with Medicare

Even with Medicare, out-of-pocket costs exist. Most people do not pay a premium for Part A (having paid Medicare taxes while working), but Part B always carries a monthly premium that adjusts annually. There are also deductibles and copays — and importantly, Original Medicare (Parts A & B) has no built-in annual out-of-pocket maximum, so costs can add up. Adding a Medigap supplement or enrolling in Medicare Advantage (Part C) can provide a cost cap.

04 Medicaid Basics: What Families Need to Know



What Medicaid Is

Medicaid is a government health coverage program for people with limited income and resources. Unlike Medicare, it is a federal-state partnership — meaning every state designs its own version with its own name (like 'Medical Assistance' or 'Medi-Cal'), its own income and asset limits, and its own list of covered services.

Who Qualifies for Medicaid

Medicaid is designed for people with limited income and assets. Qualifying categories include children, pregnant women, adults, people with disabilities, and older adults who meet both financial and medical criteria. Many states have also expanded Medicaid to cover more low-income adults. Rules vary significantly by state — never assume ineligibility without checking.

GEORGIA TIP: To see eligibility categories, income limits, and how to apply in Georgia, visit the Georgia Medicaid website at dch.georgia.gov.

What Medicaid Covers

Medicaid may cover much more than families expect — especially for long-term care and help at home.

Core Medical Services	Long-Term Services & Supports	Optional Benefits (some states)
<ul style="list-style-type: none"> • Doctor and clinic visits • Hospital and emergency care • Lab tests and X-rays • Some home health services • Preventive care, vaccines 	<ul style="list-style-type: none"> • Nursing home care (room, board, nursing) • Home & community-based services • In-home aides, personal care • Adult day programs • Respite care for family caregivers 	<ul style="list-style-type: none"> • Prescription drugs • Dental and vision care • Physical, occupational, speech therapy • Additional in-home personal care

Costs with Medicaid

For people who qualify, Medicaid keeps out-of-pocket costs low — often little or no monthly premium and small copays. In long-term care settings, your loved one may contribute part of their income (a 'share of cost' or 'patient liability') while Medicaid pays the rest. Ask your state early how this share is calculated.

05 Where Families Get Confused: Common Myths

Even well-informed families run into the same sticking points. Clearing up these myths can save significant stress and surprise costs.

MYTH: "Medicare will pay for Mom's nursing home indefinitely."

REALITY: Medicare can help with short-term skilled nursing after a qualifying hospital stay, but it is not designed for long-term nursing home care. Once the rehab period ends, ongoing room, board, and daily care are typically paid by Medicaid (if qualified) or private funds.

MYTH: "You have to be 65 to get Medicaid."

REALITY: Medicaid is not just for older adults. It can cover children, pregnant women, and adults of any age who meet the income, asset, and category rules in their state — including many people with disabilities or very low incomes.

MYTH: "I have to give up Medicare to get Medicaid."

REALITY: Many people have both at the same time ('dual eligibles'). In those cases, Medicare usually pays first for covered medical services, and Medicaid helps with premiums, copays, and services Medicare doesn't fully cover — especially long-term care.

MYTH: "Medicaid is the same everywhere."

REALITY: Each state designs its own Medicaid program with its own name, income limits, and covered services. Two people with similar needs in different states can have very different options, which is why checking your specific state's rules is always essential.

06 A Family's Story: When the Names Sound the Same



Elena was used to checking in on her mom by phone. At 79, with early dementia, Mrs. Ramirez was still living alone. All of that changed the night her mom tripped, broke her hip, and was rushed to the hospital.

Elena assumed 'Medicaid will cover everything.' A few days later, sitting with a discharge planner, she learned her mom had Medicare — not Medicaid. Medicare would cover a short-term stay in a skilled nursing facility for recovery, but the ongoing personal care her mom would need — bathing, dressing, meals, staying safe at home — was not covered.

With guidance from a home care agency and a care manager, Elena mapped a plan: timing Medicare-covered services, exploring whether her mom might qualify for Medicaid for long-term care, and arranging private-pay hours to fill the gaps.

What began as confusion became the turning point where Elena started making informed, step-by-step decisions — grounded in a clear understanding of what Medicare does, what Medicaid might do, and where her family needed to step in.

07 Having Both: 'Dual Eligibles' Explained

Some older adults with limited income and assets qualify for both Medicare and Medicaid at the same time – often called 'dual eligibles.' The two programs work together, not against each other.

In most cases, Medicare pays first for covered medical services (hospital, doctor, outpatient). Medicaid then steps in to help pay Medicare premiums and cost-sharing (deductibles, copays), and in many states can also cover services Medicare doesn't – such as long-term nursing home care or ongoing personal care at home.

For families, this matters when choosing doctors, pharmacies, and home care providers. Confirm any provider accepts both Medicare and your state's Medicaid program so your loved one can access all of their coverage.



08 How Medicare & Medicaid Relate to Home Care

Medicare & Home Care	Medicaid & Home Care	Private Pay
<p>Can cover short-term, skilled home health care when: a doctor orders it; skilled nursing or therapy is needed; care is by a Medicare-certified agency. Does NOT cover 24-hour care, ongoing personal care alone, or routine housekeeping.</p>	<p>For those who qualify, can cover ongoing personal care (bathing, dressing, mobility), in-home aides, adult day care, and respite for family caregivers – often through state 'Waiver' programs. Hours and services vary by state and individual need.</p>	<p>Most non-medical home care – companionship, housekeeping, meal prep, errands, transportation – is typically private pay. May also be covered by Veterans' benefits or a long-term care insurance policy.</p>



09 Practical Next Steps for Families in North Metro Atlanta

When you're juggling medical updates, family schedules, and tough emotions, it helps to have a clear starting point. Here are three practical steps you can take right now.

1

Confirm What Your Loved One Currently Has

- Find their red, white, and blue Medicare card — it shows which parts (A, B, or both) they have and when coverage started.
- Look for any additional cards, such as a Medicare Advantage (Part C) or Part D prescription card.
- Check for a Georgia Medicaid card, approval letter, or notices that confirm enrollment.

2

Contact the Right Help in Georgia

- Visit the Georgia Medicaid website (dch.georgia.gov) to review eligibility rules, long-term services, and waiver programs.
- Connect with Georgia SHIP (State Health Insurance Assistance Program) for free, one-on-one Medicare counseling: shiip.georgia.gov.
- Use Empowerline (empowerline.org) — the aging and disability resource for the Atlanta Regional Commission — for local services.

3

Plan for Long-Term Care Early — With a Local Partner

- Talk with your loved one, their doctor, and trusted providers about what support they'll likely need over the next 6–12 months.
- Ask specifically which parts of that plan may be covered by Medicare, which might require Georgia Medicaid, and which will likely be private pay.
- Build a realistic budget so you're not caught off guard.

10 How Castleton Home Care Can Help

Castleton Home Care is a non-medical home care agency serving families across North Metro Atlanta. We understand that navigating Medicare, Medicaid, and private-pay home care can feel overwhelming – especially in the middle of a family health crisis.

We can help you:

- Understand in plain language how Medicare, Georgia Medicaid, and private-pay home care fit together for your loved one's specific situation.
- Coordinate our non-medical caregiving with Medicare-certified home health agencies (nursing and therapy) and, when applicable, with Georgia Medicaid case managers.
- Offer flexible private-pay options – from a few hours a week to comprehensive daily support – so you can start where you are and adjust as needs change.



You don't have to figure it out alone.

Get in Touch – Free, No-Obligation Consultation

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